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TAGS: [ECPS](#) [EINT](#) [ETRD](#) [ETTC](#) [PHUM](#) [MU](#)
SUBJECT: SKYPE CRACKDOWN IN OMAN

CLASSIFIED BY: Richard J. Schmierer, AMB, Department of State,
Embassy Muscat; REASON: 1.4(B), (D)

¶1. (C) SUMMARY: Oman prohibits the use of Voice Over Internet Protocol services and access to leading VOIP providers is blocked by the Sultanate's Internet filters. The government has cracked down on VOIP service providers throughout the year, arresting approximately 212 individuals so far this year. The enforcement of the prohibition is indicative both of protectionist economic policies and restrictions on means of communication the government cannot monitor. END SUMMARY.

¶2. (C) Despite the legal prohibition of Voice Over Internet Protocol (VOIP) services, they remain very popular in Oman. Many expatriates and Omanis, including personnel at diplomatic missions, use Skype privately to communicate with family and friends overseas. VOIP can be enabled via use of Virtual Private Network (VPN) software or by accessing the Internet via proxy server. Thus far there have been no reports of arrests of Western expatriates for VOIP violations.

¶3. (U) On November 16, private English daily "Times of Oman" reported that the Royal Oman Police (ROP) arrested approximately 212 people for providing illegal VOIP services in 2009. Most of the arrested individuals operate cyber cafes or opened their internet/VOIP enabled home computer to outside users. The Times cited an anonymous ROP source, who stated that the majority of arrestees were of various Asian nationalities, that raids on VOIP service providers have intensified, and that the ROP is seeking the assistance of the public in reporting service providers. Providing telecommunications services, including international phone calls without a license, is illegal in Oman pursuant to Article 20 of the Telecommunications Regulatory Act. Violators of Article 20 face either a 50,000 Omani Rial fine (\$130,000), two years in jail, or both.

¶4. (U) The Times article quoted the source as saying that the crackdown in enforcing Article 20 is intended to stem the losses of local telecommunications providers which are losing out on international calling charges to VOIP services. Using VOIP services either at a cyber cafe or in the home significantly reduces the cost of international telephony as Omani telecommunications providers have high international calling rates, in part a result of a lack of competition. Oman has granted only two telecommunications licenses: one to OmanTel, which is still partly government owned, and the other to Nawras, a relatively new Qatari private telecommunications firm to the Omani market (although Nawras in-part relies on OmanTel infrastructure as it continues to develop its own).

¶5. (C) Over the past several months EconOff has received several

inquiries into whether the U.S. - Oman Free Trade Agreement (FTA) requires Oman to repeal Article 20, as it restricts a U.S. business, Skype, from operating in Oman. Skype, the largest VOIP service, is owned by eBay, a U.S. company specializing in online auctions, and therefore may fall under the FTA. The United States Trade Representative's office is currently researching the issue. Notably, EconOff was asked about the Skype issue by two prominent Omani businessmen, who view the restriction as limiting their ability to communicate with business interests abroad at a reasonable price.

16. (S) COMMENT: As reported, the protection of Oman's telecommunications industry partly explains the prohibition of VOIP services and the crackdown on violators. However, the unstated and likely more significant rationale for the VOIP prohibition may be that such services are out of reach of the listening ear of the government. Although Post's information on Oman's monitoring capabilities of telecommunications is murky, it is not believed that the government has the ability to monitor VOIP services. The front-page coverage of the crackdown is clearly intended to deter Omani residents from using VOIP services. END COMMENT.
Schmierer